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Guy M. Hicks
General Counsel

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REGULATORY AUTH.
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March 21, 2000
OFFICE OF THE
EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition of NEXTLINK TENNESSEE LLC for Arbitration of
Interconnection with BellSouth Telecommunications, Inc.*
Docket No. 98-00123

Dear Mr. Waddell:

Enclosed are fourteen copies of BellSouth's letter to NEXTLINK dated March 21 in response to NEXTLINK's letter of March 3.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure
cc: Dana Shaffer

POSTED
3-21-00

Bennett L. Ross
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375-0001
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March 21, 2000

VIA TELECOPIER

Dana Shaffer, Esquire
Vice President Legal & Regulatory Affairs
NEXTLINK Tennessee, Inc.
105 Malloy Street, #300
Nashville, TN 37201

Dear Dana:

I was surprised to receive your letter of March 2, 2000, which contains a number of self-serving and inaccurate statements. I was even more surprised by your decision to send a copy to the Tennessee Regulatory Authority, since your letter makes explicit reference to our confidential settlement discussions. The fact that our settlement negotiations had ended does not mean that what was said during those negotiations is suddenly subject to public disclosure. Your decision to disclose the substance of our confidential settlement negotiations to the Authority will make future negotiations with you difficult, if not impossible.

Your claim that our settlement negotiations were not really "settlement negotiations" because the issues we discussed "are not the subject of any formal complaint" is nothing short of astounding. NEXTLINK has been threatening to file a complaint against BellSouth on some of these issues for almost a year - a threat repeated, at least implicitly, in your March 2, 2000 letter. Furthermore, as your letter acknowledges, certain of the issues we have been negotiating are presently the subject of pending motions before the Authority, which makes your claim about the lack of a "formal complaint" little more than form over substance.

I want to make clear that BellSouth has not refused and is not refusing "to discuss operational issues affecting end-users...." Both of our companies have processes in place by which such operational issues are addressed and, in most cases, resolved between the parties without the involvement of attorneys. Indeed, because I am an attorney, I am not routinely called upon to discuss "operational issues," and I would be surprised if you were either. You and I became involved only when there are legal disagreements between our clients. These disagreements have been at the core of our settlement negotiations, which you now claim were not settlement negotiations after all.

Unlike you, BellSouth does not take such a cavalier attitude toward settlement negotiations and will continue to keep our discussions confidential. However, without divulging the details of what was discussed, BellSouth cannot let go unanswered your statement that BellSouth brought "only [one] new item" to the negotiating table. You and I both that this statement is false. BellSouth made a comprehensive offer to address all of the issues that were on the table between BellSouth and NEXTLINK. For example, I would refer your attention to BellSouth's proposal to resolve the dispute concerning db loss on interconnection trunks - a proposal that had not been previously discussed.

Equally false is your statement that BellSouth made an "implied threat to 'stack arms' should NEXTLINK approach the TRA for resolution of interconnection issues...." In case you have forgotten, BellSouth made every effort to resolve the issues between our clients without the Authority's involvement and tried in earnest to arrange a conference call to discuss these issues before December 7, 1999, when the Authority was expected to first consider approval of our interconnection agreement. As you may also recall, you could not spare an hour to talk by telephone, which left BellSouth with no choice but to file its motion seeking to have the Authority reject two of the provisions in that agreement about which we disagree. Also, your statement cannot be reconciled with the fact that BellSouth enthusiastically agreed to NEXTLINK's request for assistance from the Authority Staff in resolving our dispute about the CNAM database.

Notwithstanding your unfounded accusations to the contrary, BellSouth is complying "with the requirements of our interconnection agreement and the Telecommunications Act." However, NEXTLINK wants more than either our agreement or the Act requires. The CNAM issue provides a good example. Even though not required to do so, BellSouth agreed at the urging of the Authority Staff to resolve this issue by: (1) keeping NEXTLINK informed of the progress in selecting and implementing a long-term solution to the CNAM issue; (2) giving priority to Tennessee when the long-term solution is implemented; and (3) until the long-term solution is implemented, providing NEXTLINK with an interim solution, which BellSouth has done. Although this arrangement was satisfactory to BellSouth and apparently the Authority Staff, NEXTLINK wants more, as evidenced by its continued complaints about the CNAM issue.

As to your statements about multiple tandem access, it should come as no surprise that BellSouth disagrees with such statements. However, since BellSouth intends to address this issue in a formal filing with the Authority, no point would be served in addressing the same issue here.

BellSouth would prefer to devote its time and resources to resolving the substantive areas of disagreement between BellSouth and NEXTLINK. However, your decision to write your March 2, 2000 letter and to send a copy to the Authority suggests that you are more interested in administrative posturing.

Yours very truly,



Bennett L. Ross

cc: David K. Waddell
Greg Breetz
Guy Hicks, Esquire
Mary Jo Peed, Esquire
Ida Bourne

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